



Statewide Accountability

Initiative #1 Statewide
Accountability Approach &
Value-Based Purchasing Pay-
for-Performance

October 2020

Glossary of common acronyms

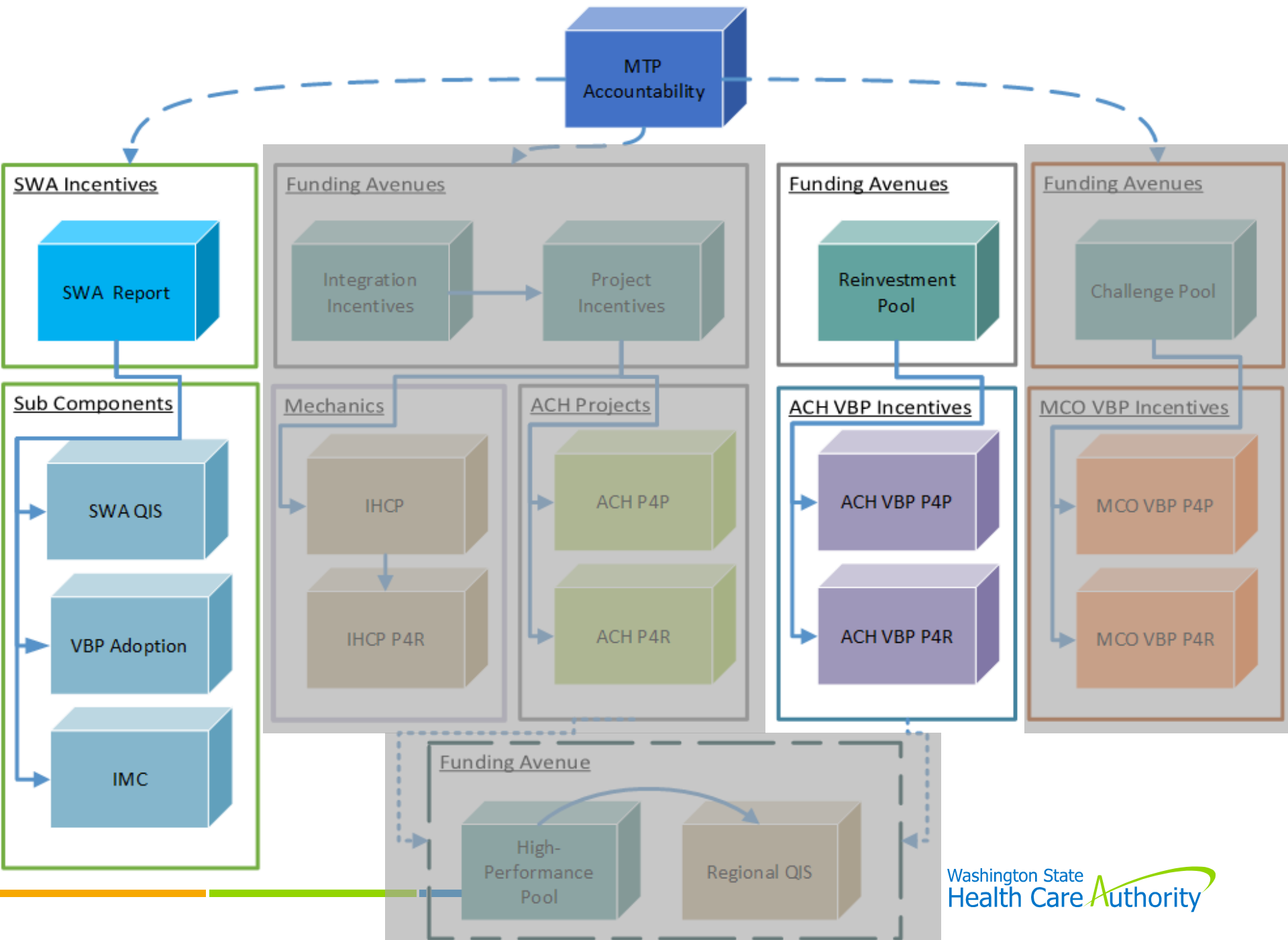
Acronym	Term
ACHs	Accountable Communities of Health
A-APM	Advance Alternative Payment Model
AV	Achievement value
DY	Demonstration year
FFP	Federal financial participation
HCP-LAN framework	Health Care Payment Learning & Action Network framework for alternative payment models
MCO	Managed care organization
MTP	Medicaid Transformation Project
P4P	Pay-for-performance
P4R	Pay-for-reporting
PY	Performance year
QIS	Quality improvement score
STC	Special terms and conditions
SWA	Statewide accountability
VBP	Value-based purchasing

Video series

1. MTP accountability (presented by HCA)
2. ACH Project incentives (GTG, IOS, AV calculations) (presented by IA)
3. ACH QIS methodology and high-performance pool achievement (presented by IA)
4. **Statewide accountability and VBP P4P (presented by HCA)**

Agenda

1. **Overview of SWA and P4P VBP Buckets**
2. **SWA framework and components**
3. **Reinvestment pool**
4. **VBP P4P framework and components**



SWA Introduction

Statewide accountability represents the only true risk of funding reductions due to underperformance:

	DY3	DY4	DY5
	1/1/19 – 12/31/19	1/1/20 – 12/31/20	1/1/21 – 12/31/21
Max allowable funds	\$235,900,000	\$151,510,022	\$124,210,022
% at-risk for performance	5%	Waived	20%
\$ amount at-risk for performance	\$11,795,000	0	\$24,842,000

***If overall DSRIP funding is reduced on account of underperformance for statewide targets, DSRIP Project Incentives to ACHs and partnering providers will be reduced accordingly.**

SWA Updates

SWA approved changes

- ▶ CMS recognized the impacts of COVID-19 and statewide/ACH response, and waived DY 4 at-risk performance.
- ▶ In DY 4, DSRIP funding consisting of 10 percent at-risk has been waived
- ▶ DY 5 has yet to be determined for performance accountability.

SWA potential changes

- ▶ HCA is working on an STC amendment to update the VBP adoption score from 90 percent for DY 5 to 85 percent.
- ▶ HCA is continuing to work with CMS on VBP adoption improvement score updates. This includes VBP associated with at-risk funds and the MCO and ACH VBP P4P incentives (non-COVID-19-related).

SWA metrics

SWA components

- ▶ The ten statewide accountability quality metrics were selected to align with a variety of statewide, contractual and P4P measures included in the ACH projects that can be accurately calculated at the regional level.
- 1. All-Cause Emergency Department Visits per 1000 Member Months
- 2. Antidepressant Medication Management (acute/continuation phase)
- 3. Comprehensive Diabetes Care: Blood Pressure Control
- 4. Comprehensive Diabetes Care: Hemoglobin A1c Poor Control (>9%)
- 5. Controlling High Blood Pressure (<140/90)
- 6. Medication Management for People with Asthma: Medication Compliance 75%
- 7. Mental Health Treatment Penetration (Broad)
- 8. Plan All-Cause Readmission Rate (30 days)
- 9. Substance Use Disorder Treatment Penetration
- 10. Well-Child Visits in the 3rd, 4th, 5th, and 6th Years of Life

SWA QI Framework

How the QI Model works:

- ▶ The QI Model incorporates results from a set of defined metrics.
- ▶ For each metric, the QI Model generates a metric quality score (QS) and metric improvement score (IS)
- ▶ A metric QS compares the statewide performance year result to the range defined by a quality score baseline and a metric target.
- ▶ A metric IS is calculated by comparing the performance year result to a range defined by state baseline performance (improvement score baseline) and the metric target.
- ▶ The metric quality score and metric improvement score are aggregated for each metric into a QI metric score with the use of a weighted average in which the metric quality score is increasingly weighted with higher performance.
- ▶ QI metric scores are aggregated across all statewide accountability quality metrics to generate the statewide QIS.

3. Mental Health Treatment Penetration (Broad version) (6 - 64 Years)
Medication Management for People with Asthma (5 - 64 Years)

Benchmarks & Performance		2	3
Mean (QS Baseline)		28.3%	50.2%
Improvement Baseline Year Measure Score (IS Baseline)		32.9%	52.4%
Target (QS & IS)		41.2%	51.2%
Source		NCQA	State
Target Direction		↗	↗
Performance Year Measure Score		33.8%	54.7%
Q-I Weighting Factor		2	3
		0.42	1.00
Quality Score (QS)		2	3
Measure QS Attainment		0.05	0.04
Measure QS Span		0.13	0.01
Measure QS Ratio		0.42	4.48
Measure QS	←	0.34	2.00
Improvement Score (IS)		2	3
Measure IS Attainment		0.01	0.02
Measure IS Span		0.08	0.01
Measure IS Ratio		0.11	1.91
Measure IS	←	0.13	0.00
Measure Composite Score		2	3
		0.47	2.00
Measure Weight		2	3
		11%	11%

→	Quality Improvement Score (QIS):	0.72
	QIS threshold for full credit:	0.20
	Percent of at-risk funds associated with quality component earned:	100%

SWA VBP Adoption

Measure Approach

- By the end of 2021, *90% of all Medicaid MCO payments to providers must be made through designated VBP arrangements in order for the state to secure maximum available DSRIP funds.

Definition of achievement

- Statewide VBP adoption goals are limited to HCP LAN 2C-4B VBP arrangements.

Data source

- Per their contract requirements with HCA, MCOs must attest to their VBP adoption annually by reporting total payments in each HCP-LAN category.

Statewide Accountability VBP Goals

	Target Goal (HCP LAN 2C- 4B)	Scoring Weights*	
		Improvement	Achievement
DY 3	75%	50%	50%
DY 4	85%	45%	55%
DY 5	90%	40%	60%

**Note: VBP baseline year is the year prior to the measurement year.*

SWA Calculating Level of VBP Adoption

Approach

- ▶ VBP adoption is calculated based on the share of MCO payments to providers that are made through VBP arrangements in HCP-LAN Category 2C or higher.

Calculation methodology

$$\text{Level of VBP adoption (\%)} = \frac{\text{MCO payments to providers (in \$) made through VBP arrangements above Category 2C}}{\text{Total MCO payments to providers (in \$)*}}$$

*Data source:
annual MCO
data
collection*

SWA Composite Score

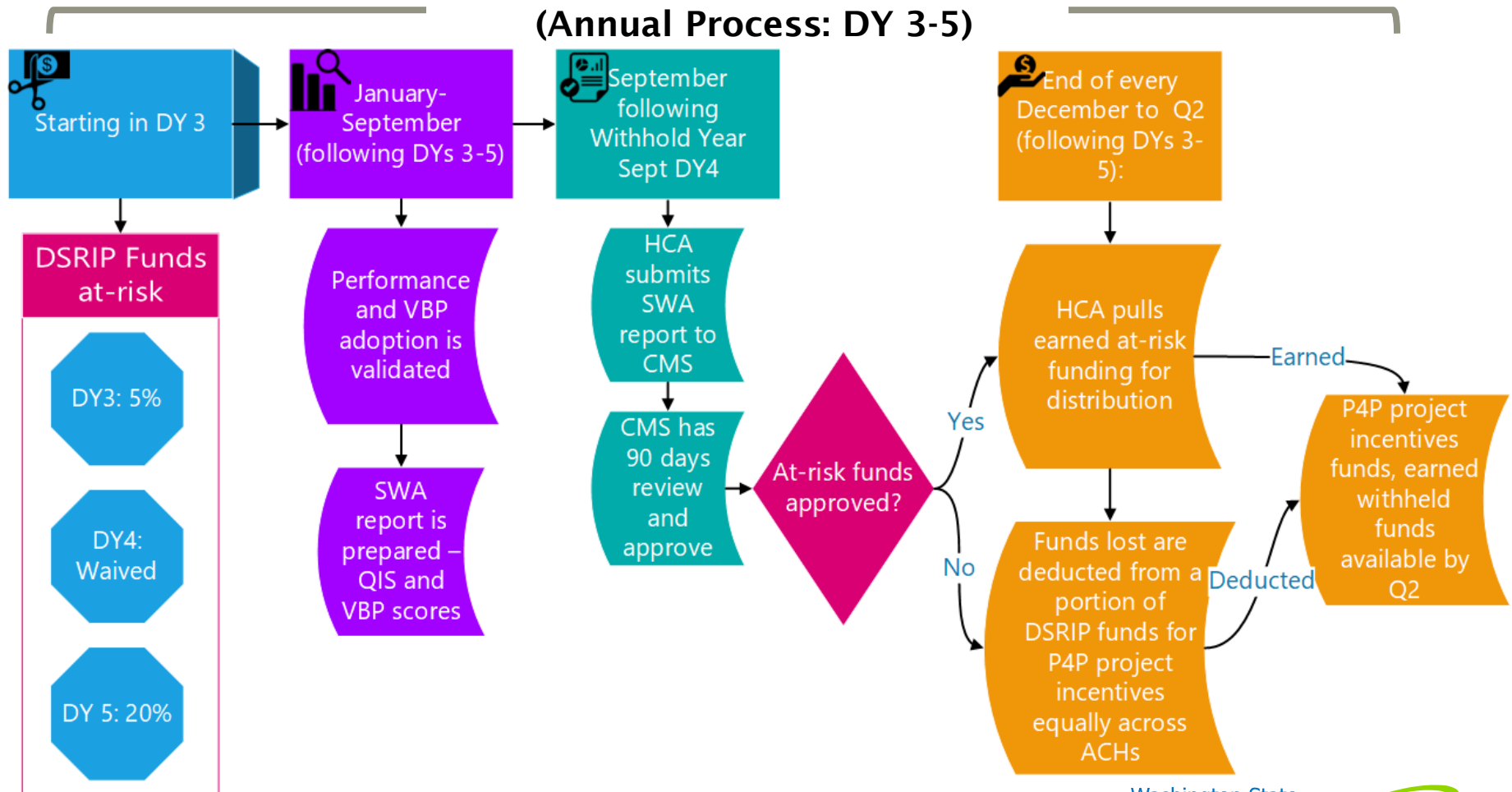
Approach

- Each of the ten quality measures contributes equal weight to the Quality Improvement QIS (totaling 80%). VBP adoption is weighted at 20% in recognition of its importance in the overall Medicaid Transformation effort and statewide value-based purchasing roadmap.

Statewide Accountability Components (DY 3-5)	Weight	Example Statewide Withhold Scenario (5% of DSRIP Funding At Risk in DY 3: \$11,795,000)			
		Percent Earned	Dollars At Risk*	Dollars Lost	Dollars Earned
Quality Improvement (Composite QI-Score)	80%	100%	\$9,436,000	\$0	\$9,436,000
Value-Based Purchasing Adoption Score	20%	50%	\$2,359,000	\$1,179,500	\$1,179,500
Total		<u>100%</u>	<u>\$11,795,000</u>	<u>\$1,179,500</u>	<u>\$10,615,500</u>

SWA Withhold Approach

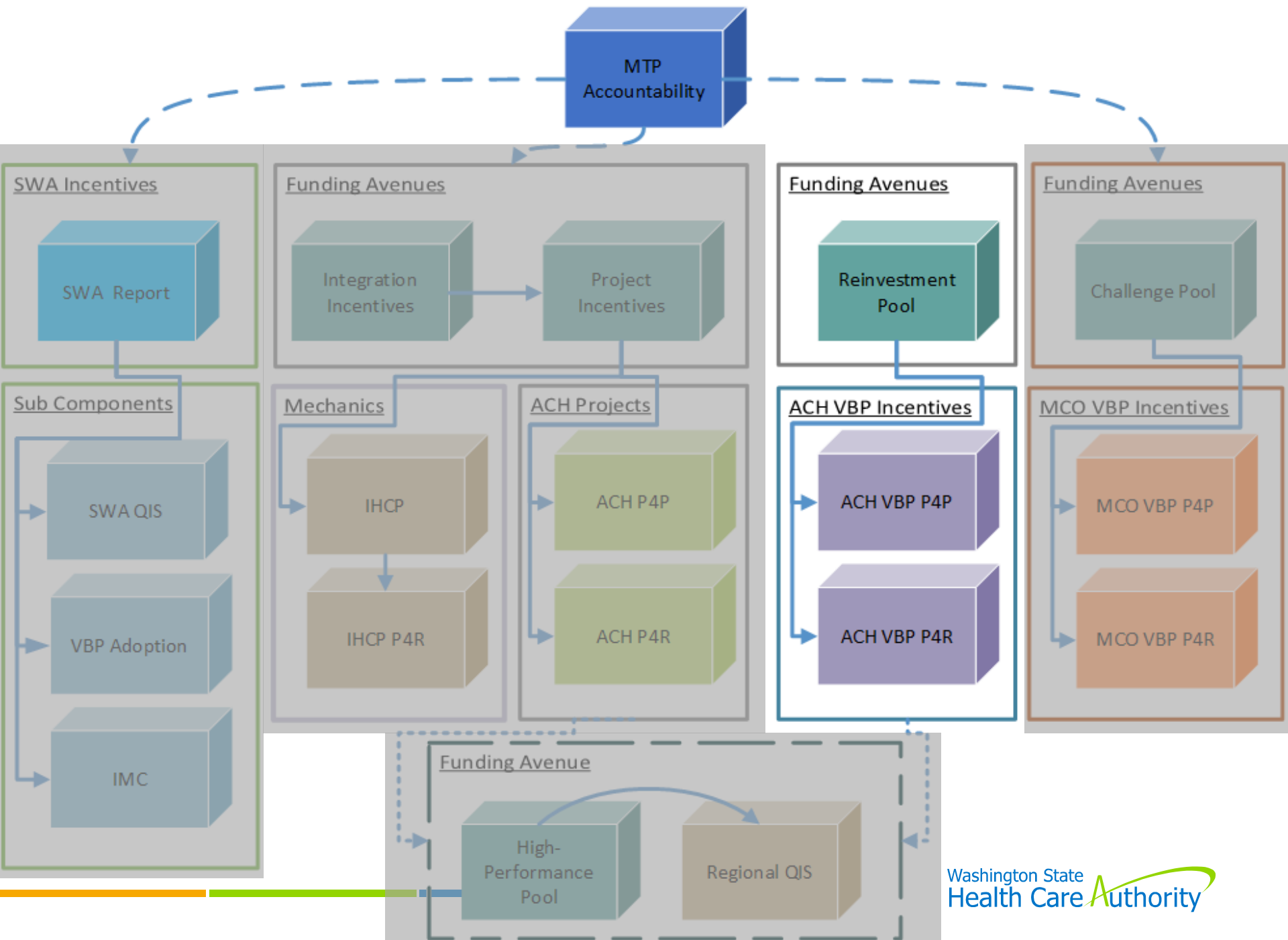
Validating SWA Scores & Annual Withhold Amounts (Annual Process: DY 3-5)



Appendix: SWA Measures

Measures	Description
VBP Measure	
VBP Adoption	Statewide VBP adoption targets will be limited to HCP LAN 2C-4B VBP arrangements: DY 3 (75%); DY 4 (85%); DY 5 (90%).
Quality Measures	
All-Cause Emergency Department Visits per 1,000 Member Months	The rate of Medicaid enrollee visits to the emergency department per 1000 member months, including visits related to mental health and chemical dependency.
Antidepressant Medication Management (acute/continuation)	The percentage of Medicaid enrollees 18 years of age and older with a diagnosis of major depression and were newly treated with antidepressant medication, and who remained on an antidepressant medication treatment.
Comprehensive Diabetes Care: Blood Pressure Control*	The percentage of Medicaid enrollees 18-75 years of age with diabetes (type 1 and type 2) whose most recent blood pressure (BP) reading is <140/90 mm Hg.
Comprehensive Diabetes Care: HbA1c Poor Control (> 9%)*	The percentage of Medicaid enrollees 18-75 years of age with diabetes (type 1 and type 2) whose most recent HbA1c level during the measurement year was greater than 9.0% (poor control).
Controlling High Blood Pressure (<140/90)*	The percentage of Medicaid enrollees 18 to 85 years of age who had a diagnosis of hypertension (HTN) and whose blood pressure (BP) was adequately controlled (<140/90).
Medication Management for People with Asthma: Medication Compliance 75%	The percentage of Medicaid enrollees 5-64 years of age identified as having persistent asthma and were dispensed appropriate medications that they remained on during the treatment period.
Mental Health Treatment Penetration (Broad)	The percentage of Medicaid enrollees 6 years of age and older with a mental health service need who received at least one qualifying service during the measurement year.
Plan All-Cause Readmission Rate (30 days)	The proportion of acute inpatient stays during the measurement year that were followed by an unplanned acute readmission within 30 days among Medicaid enrollees ages 18-64 years old.
Substance Use Disorder Treatment Penetration	The percentage of Medicaid enrollees 12 years of age and older with a substance use disorder treatment need who received substance use disorder treatment in the measurement year.
Well-Child Visits in the 3rd, 4th, 5th, and 6th Years of Life	The percentage of Medicaid-covered children 3-6 years of age who had one or more well-child visits with a primary care provider during the measurement year.

**Statewide measures only*



P4P VBP

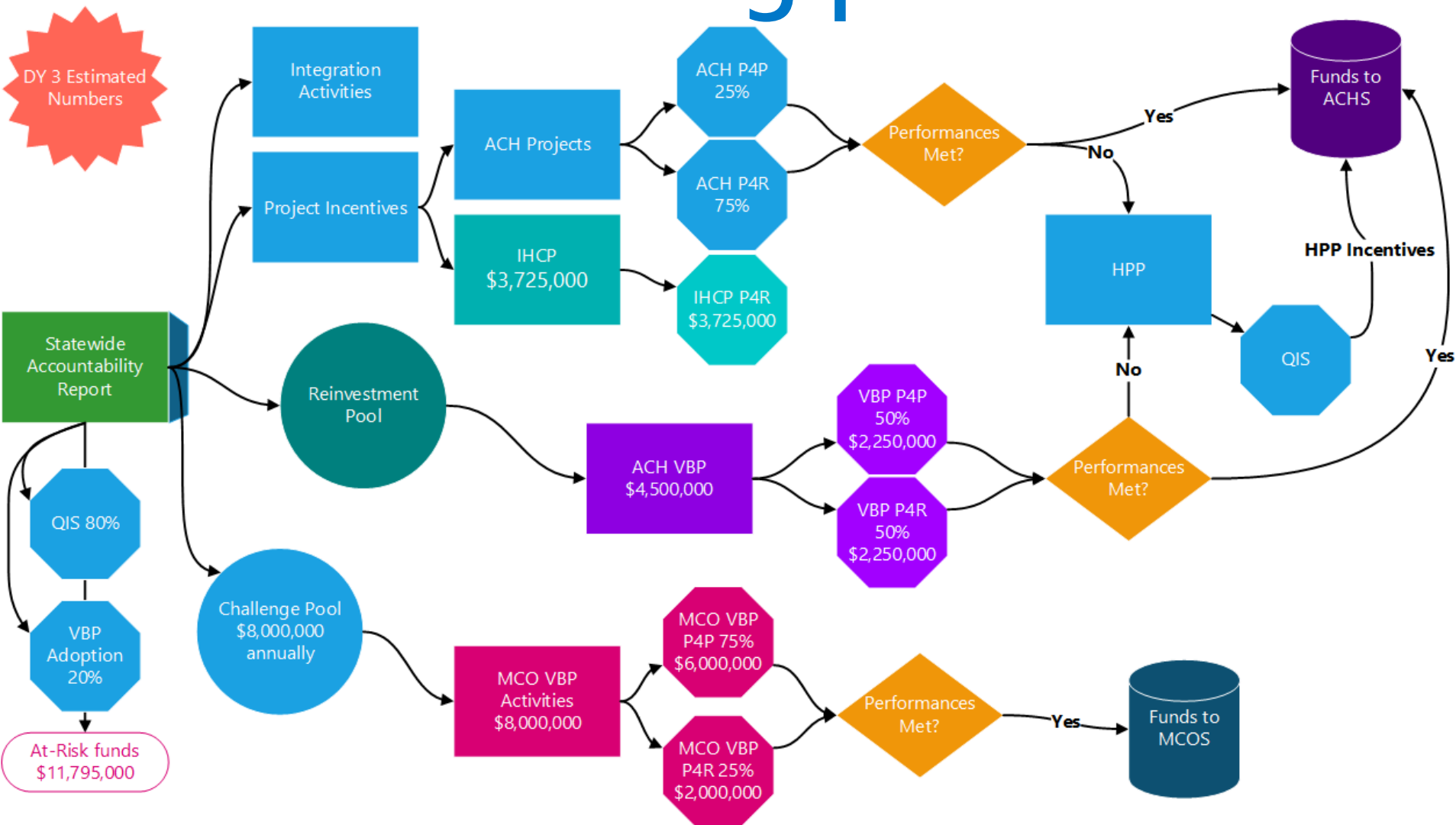
Overview

- ▶ ACHs will be rewarded on reported progress in the early years, and increasingly on full attainment of targets in later years

Table 19. Annual percent of potential earnable ACH VBP incentives, by P4R and P4P

ACH VBP incentives	DY 1	DY 2	DY 3	DY 4	DY 5
Pay-for-reporting (P4R)	100%	75%	50%	25%	0%
Pay-for-performance (P4P)	0%	25%	50%	75%	100%

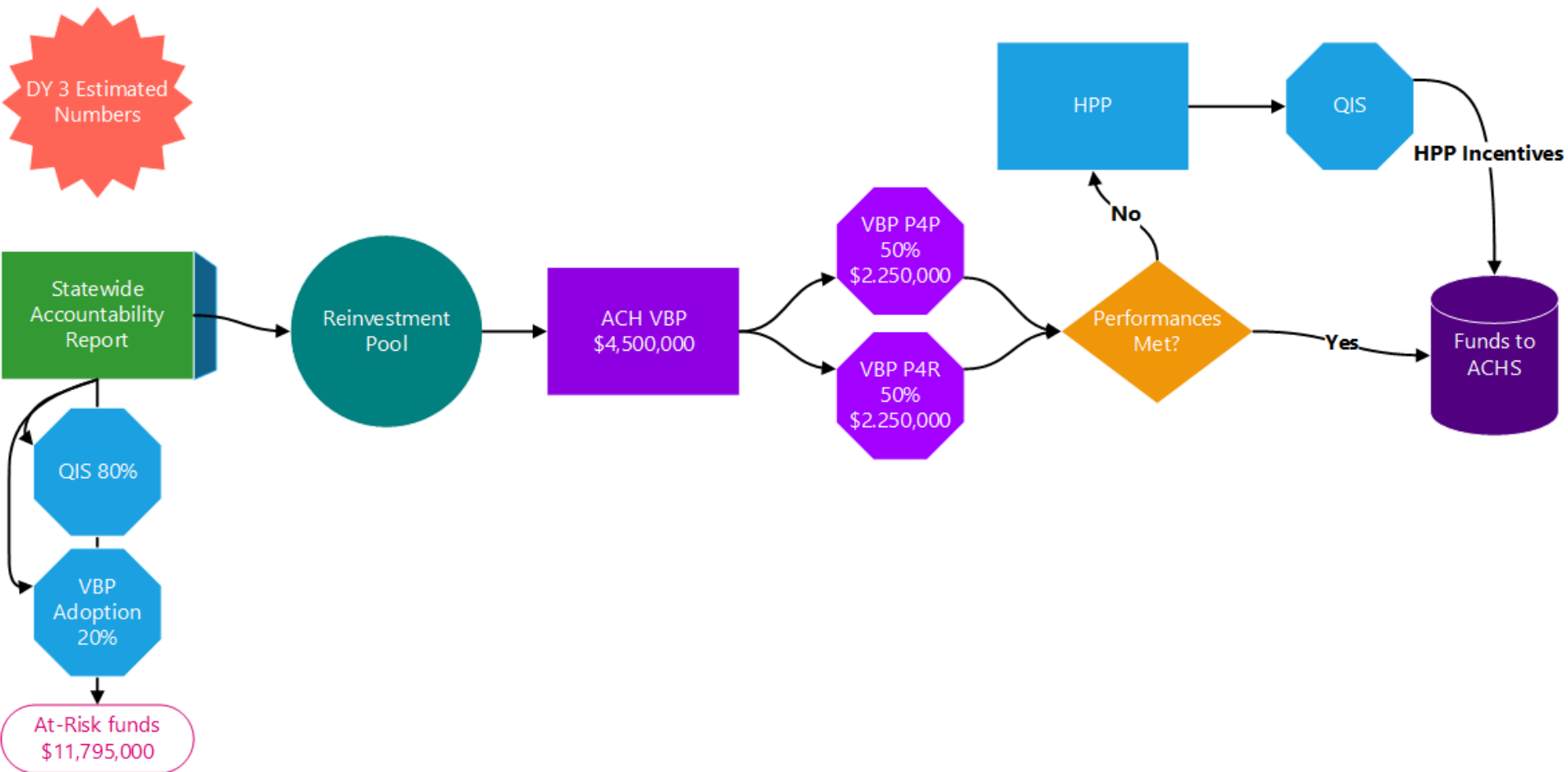
Funding pool



Total statewide DSRIP dollars
\$235,900,000

Reinvestment pool + ACH VBPs

Overview



P4P VBP Targets

Targets

Table 23. ACH VBP adoption targets

Year	Performance targets	
	HCP LAN 2C-4B Adoption target	HCP LAN 3A-4B Adoption sub-target
DY 1	30%	N/A
DY 2	50%	10%
DY 3	75%	20%
DY 4	85%	30%
DY 5	90%	50%

Table 24. ACH VBP P4P score weights

Year	Calculation weight		
	Achievement score	Achievement subset score	Improvement score
DY 1	N/A	N/A	N/A
DY 2	35%	5%	60%
DY 3	45%	5%	50%
DY 4	50%	5%	45%
DY 5	55%	5%	40%

Example 1: ACH with low level of VBP adoption and moderate improvement from DY 2 to DY 3

First example ACH in the DY 3 scenario described:

- ACH 1 meets all the P4R requirements but is below the annual VBP adoption target, and made limited improvement over the prior year. Of the 75% VBP adoption target, there were no contracts with downside risk.

ACH	Max. Potential VBP Incentives	P4R Score (% P4R Milestones Completed)	P4R Earned Incentives	DY2 VBP Adoption %	DY3 VBP Adoption %	DY3 HCP LAN 2C-4B Target	Improvement Score	Achievement Subset Criteria Met	P4P Score	P4P Earned Incentives	TOTAL Earned VBP Incentives	Remaining Incentives
1	\$500k	4 / 4 = 100%	\$250k	58%	62%	75%	$(62 - 58) / 58 = 7\%$	N	$(7\% * 50\%) + (0\% * 45\%) + (0\% * 5\%) = 4\%$	\$10k	\$260k	\$140k

Year	Performance targets (Adoption target)
	Adoption target
DY3	75%

Year	Calculation weight (scoring weight)		
	Achievement score	Achievement subset score	Improvement score
DY3	45%	5%	50%

Example 2: ACH that Exceeded VBP Goals in DY 2 and DY 3 but Missed a P4R Milestone

Third example ACH in the DY 3 scenario described:

- ACH 3 has a high VBP attainment and had already met the Year 3 VBP goal in Year 2. The region maintained the level of VBP adoption in DY 3, and had downside risk contracts. However, they failed to report whether they conducted activities to encouraging/incentivizing completion of the state provider survey in their semi-annual report in DY 3, one of the VBP P4R milestones.

ACH	Max. Potential VBP Incentives	P4R Score (% P4R Milestones Completed)	P4R Earned Incentives	DY2 VBP Adoption %	DY3 VBP Adoption %	DY3 HCP LAN 2C-4B Target	Improvement Score	Achievement Subset Criteria Met	P4P Score	P4P Earned Incentives	TOTAL Earned VBP Incentives	Remaining Incentives
3	\$500K	3 / 4 = 75%	\$188k	75%	81%	75%	100%	Y	(100%*50%) + (100%*45%) + (100%*5%) = 100%	\$250k	\$438k	\$62k

Year	Performance targets (Adoption target)
	Adoption target
DY3	75%

Year	Calculation weight (scoring weight)		
	Achievement score	Achievement subset score	Improvement score
DY3	45%	5%	50%

References

- ▶ [DSRIP Measurement Guide](#)
- ▶ [Project Toolkit](#)
- ▶ [Special terms and conditions \(STCs\)](#)
- ▶ [Funding and mechanical protocol](#)
- ▶ [Healthier Washington Dashboard](#)



Contacts

**If you have questions,
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